



HUNGARY

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1. Mandatory obtaining of the EKAER number for each individual delivery into the EU and from the EU

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From 1st January 2015, one of the most significant changes in the Act on Rules of Taxation will be the introduction of an electronic road freight monitoring system (EKAER) to filter and suppress VAT fraud. EKAER serves to check the fulfilment of the tax liabilities in connection to the transportation of goods from another EU country to the territory of Hungary or from the territory of Hungary to another EU country, as well as in connection to the road transport within the territory of Hungary.

In the following cases, from 1st January 2015, taxpayers may carry out road transport exclusively if they have a valid number in the electronic road freight monitoring system (hereinafter: EKAER) **for the given transportation:**

- a) The purchase of goods or their transportation with other purpose takes place from another EU country to the territory of Hungary with a vehicle subject to toll,
- b) The sale of goods or their transportation with other purpose takes place from the territory of Hungary to another EU country with a vehicle subject to toll,
- c) The supply of goods is a first-time, taxable supply of goods in domestic market for non-end users with a vehicle subject to toll.

In the above cases, in order that an EKAER number is determined, taxpayers shall report to the state tax and customs authority the necessary data as specified in Annex 11. of the Act on Rules of Taxation.

The reporting is carried out on the electronic interface of EKAER, and the tax authority determines a distinct identification number (EKAER number) for each reporting (freight). The EKAER number is valid for 15 days. The person subject to reporting obligation shall provide the EKAER number to the person carrying out or organizing the road freight, in order that the identification number is available for the latter person during an inspection by the authorities.

In case no EKAER number exists for the given transport, the tax authority may levy a default penalty in the amount of 40% of the value of the transported goods, and to ensure that, it may impound the products.

In connection with this provision thousands of questions will arise.

Present document does not contain the full list of changes and is not meant to substitute for the review of particular transactions or for any related consultation.

Should you have any questions, please contact us.

Best regards,

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